



CircPro Policy Brief

SMART CIRCULAR PROCUREMENT

Key drivers at the EU policy level

The European Green Deal¹ is the main policy initiative and growth strategy of the EU. Presented in December 2019, it sets out the overall objective for the EU to become the first climate-neutral continent by 2050, resulting in a cleaner environment, more affordable energy, smarter transport, new jobs and overall better quality of life. The Green Deal emphasises that public authorities, including the EU institutions, should lead by example and ensure that they procure green products and services.² It provides an action plan to boost the efficient use of resources by moving to a clean, circular economy, restoring biodiversity and cutting pollution. The action plan outlines investments needed and financing tools available to ensure a just and inclusive transition.

Accelerating the transformational change required by the European Green Deal, the Circular Economy Action Plan of the EU³ (2020) announces initiatives along the entire life cycle of products. The action plan targets the product design, promotes circular economy processes, fosters sustainable consumption, and aims to prolong the circulation of resources in the EU economy. In addition, the plan presents a set of interrelated initiatives to establish a strong and coherent product policy framework that will support sustainable products, services and business models and transform consumption patterns to minimise waste generation.

The Action Plan presents measures that make sustainable products the norm in the EU and empower consumers and public buyers. The plan focuses on the most resource-intensive sectors with a high potential for circularity, such as electronics and ICT, batteries and vehicles, packaging, plastics, textiles, construction and buildings, food, water and nutrient.

Public authorities' purchasing power represents 14% of EU GDP and can serve as a powerful driver for market demand. To exploit this

1 https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

2 COM/2019/640 final <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1596443911913&uri=CELEX:5>

3 https://ec.europa.eu/environment/strategy/circular-economy-action-plan_en



EUROPEAN
GREEN DEAL



CIRCULAR
ECONOMY
ACTION PLAN



GREEN PUBLIC
PROCUREMENT

potential, the Commission has developed **Green Public Procurement (GPP) criteria** to facilitate green requirements in public procurement for more than 20 product groups. These include 'core criteria' suitable for any contracting authority and focused on key environmental issues and 'comprehensive criteria' for procurements with a higher level of ambition.⁴

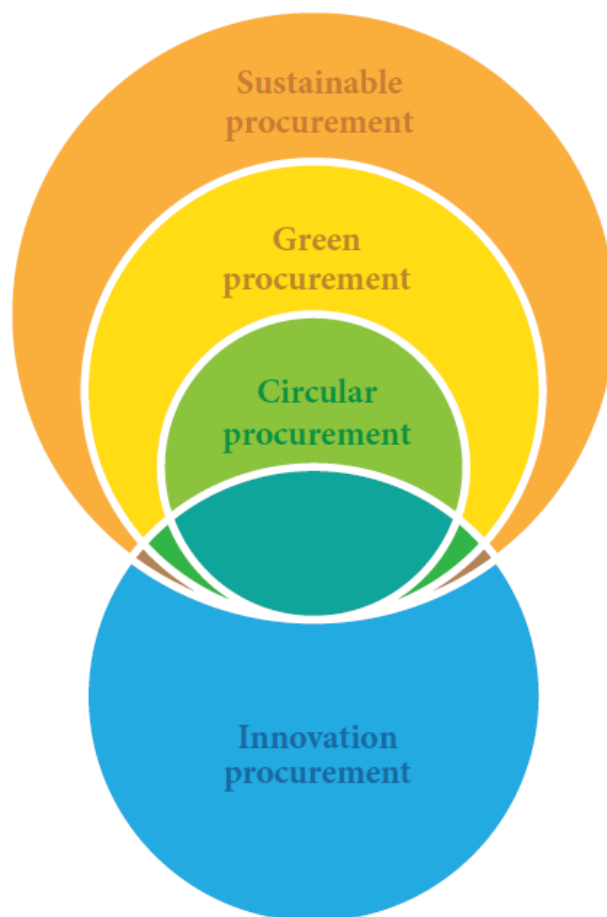
⁴ https://ec.europa.eu/environment/gpp/eu_gpp_en_criteria.htm

The essence and importance of circular procurement

In light of finite resource flows, economies will no longer be able to rely on today's wasting linear "take-make-dispose" production and consumption models. A circular economy is an alternative to this model. It aims to keep products and materials in the value chain for a longer period and to recover raw materials after the lifetime of products for their next use.

Circular public procurement is an approach to greening procurement that recognises the public authorities' role in supporting the transition towards a circular economy. Circular procurement can be defined "as the process by which public authorities purchase works, goods or services that seek to contribute to closed energy and material loops within supply chains, whilst minimising, and in the best case avoiding, negative environmental impacts and waste creation across their whole life-cycle."⁵

Circular procurement is part of the broader sustainable procurement concept. Sustainable procurement is recognised as a strategic tool to drive innovation. Green procurement and more narrowly focused circular procurement are part of this wider agenda. Moreover, circular procurement is not only for purchasing products. By procuring innovative solutions, green and circular products, and new business models, it is possible to affect the whole product/service system or supply chain. Thus, circular procurement can be seen as a strategic instrument that plays an essential role in the transition towards the circular economy and a low-carbon future.



This policy brief is prepared by the University of Turin, Dept. of Management and Regione Piemonte under the Interreg Europe programme project Smart Circular Procurement (CircPro) supported Interreg Europe programme. This publication reflects the author's views only and the Interreg Europe programme authorities are not liable for any use that may be made of the information contained therein.

Smart Circular Procurement (CircPro) project aims at promoting the transition to a more circular economy-oriented national and regional decision-making. CircPro's main objective is to improve the targeted policy instruments to incorporate the circular economy principles and criteria. Furthermore, CircPro targets circular procurement from different approaches and complexity, facilitating closed loops and shifting the focus from better quality products to new and innovative products and new business concepts. For further details, see .

⁵ European Commission: Public Procurement for a Circular Economy, October 2017 https://ec.europa.eu/environment/gpp/pdf/Public_procurement_circular_economy_brochure.pdf

Green and circular procurement in Italy

Within the framework of the European legislation the legal regime of the public procurements, incl. GPP is regulated in two main Directives:

- Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC
- Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC.

Through them, the Member States of the Union are bound to achieve concrete results within certain time limits, but have the freedom to choose the most appropriate legal means for their implementation. The rules of the directives are essentially transposed into the domestic Italian Public Contracts Code (IPCC).

The IPCC contains specific provisions on the environmental protection. This is clearly mentioned amongst the principles governing the procurement award phase. Moreover, contracting authorities are generally obliged to include GPP criteria established by the Italian Ministry for Environment, Land and Sea Protection Based in several economic sectors (paper, cartridges and toner for printers, textiles, furniture, catering equipment, urban waste etc.), taking into account the entire public procurement cycle. The Minimum Environmental Criteria might concern the technical specifications, the exclusion grounds, the selection criteria, the award criteria, and contract execution. This criteria contain additional limits to the European rules. Guidelines are usually provided by the Italian Ministry for Environment. The monitoring activity is carried out by the National Anti-Corruption Authority.

The new 'National Strategy for the Circular Economy' is intended to go further the indications established by "Towards a model of circular economy for Italy" in 2017 by Italian Ministry for Environment – document that defined Italy's strategic positioning on CE in line with the commitments adopted under the Paris Agreement, UN Agenda 2030, G7 Communiqué and within EU. The 'National Strategy for the Circular Economy' policy – focused on eco-design and eco-efficiency – is aiming at defining new administrative and fiscal tools to strengthen the market for secondary raw materials, extended producer and consumer responsibility, the spread of sharing and 'product as a service' practices, support the achievement of climate neutrality goals, and define a roadmap of actions and measurable targets by 2040.

The update of the 'National Strategy for the Circular Economy' has been included among the reforms supporting investments in Mission 2 (Green revolution and ecological transition) Component 1 (Circular Economy and Sustainable Agriculture) of the National Recovery and Resilience Plan.⁶ In order to guarantee the widest participation in the definition of the new "National Strategy for the Circular Economy", the Ministry of Ecological Transition⁷ promoted a consultation on the programmatic contents of the Strategy, elaborated with the support of the National Institute for Environmental Research (ISPRA) and the contribution of the National Agency for New Technologies, Energy and Sustainable Economic Development (ENEA). The public consultation was completed in November 2021 and the updating and publication is expected by mid 2022.

⁶ https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility/italys-recovery-and-resilience-plan_en

⁷ On 1 March 2021, Law Decree No. 22 was published establishing the Ministry of Ecological Transition (MITE) which replaces the former Italian Ministry of the Environment, Land and Sea Protection. The new institution aims at subverting the entire approach to production, consumption and lifestyle in the country at large. As well the new Ministry is going to play a big role in the decision on how to spend funds assigned by the National Recovery and Resilience Plan, the European scheme to relaunch Italy, of which green policies constitute more than one third

Recommendations for actions and policy measures for enhancing circular procurement in Regione Piemonte, Italy

The policy instrument taken into account for CircPro Regional Action Plan development is Regione Piemonte's Strategy for Sustainable Development (SRSvS). In 2018 - in line with previous regional sustainable actions⁸ - Regione Piemonte started the process⁹ of building its SRSvS, the operational tool used to define regional policies, programs and interventions in order to include the goals of the UN 2030 Agenda in its regional policies and in line with the National agreements provisions. The SRSvS sets objectives, methods and tools for building and orienting policies in the 2021-2027 regional programming period in order to ensure a sustainable development transition - from the ecological, social and economic point of view. In this process, principles and criteria of Circular Economy have been taken as a key reference and taken into account as a horizontal principle within the Strategy.

Thanks to CircPro partnership learning experience, a sound reference to GPP has been included into the SRSvR. As well the Regional Action Plan developed by Regione Piemonte proposed the following Actions:

1. **Boosting environmental sustainability in Regional procurement** related to the implementation of a Regional Green Public Procurement reference aiming at
 - meet, overcome and/or mitigate obstacles and preconceptions that hinder the systematic implementation of GPP and circular procurement within Public Administration offices
 - build positive and long-lasting effects not only addressed to regional administration's competencies and services, but also to the policy system
 - result in the development, transfer, implementation of sustainable procurement practices thanks to an effective and efficient exchange at organisational, local, regional, national levels including public institutions, universities, private actors (also with the implementation of specific agreements) and citizens too
2. **Stepping up green criteria on public purchases** aiming at increasing Green Public Procurement in Piedmont regional area by extending to a wider territorial domain the successful experience already performed on a single province by the (CircPro Stakeholders) Metropolitan City of Turin with the technical support of the Regional Agency for Environmental Protection of Piemonte with the "APE Network". Particularly, the main objectives and activities of the network were meant to:
 - strengthen the implementation of sustainable public procurement of innovation (SPPI) within the involved institutions and reducing impacts of public purchases on environment and health, on reducing resources consumption and waste and for the promotion of processes and products with a reduced environmental impact.
 - increase the environmental qualification of producers in the supply chain "producer-distributor-public consumer" and the use of GPP as an implementation tool for environmental management system
 - boost knowledge and use of available tools (i.e. eco-labels) in order to pursue continuous environmental improvement
 - assist Public Administrations in the preparation of sustainable public tenders
 - monitor commitment implementation of the administrations belonging to the network

⁸ ie implementation of the Regional Strategy on Climate Change (Regione Piemonte Resolution no. 24-5295 of July, 3 rd 2017)

⁹ Regione Piemonte's Strategy for Sustainable Development (SRSvS) should be definitively approved by the end of 2021
